

Arizona Department of Water Resources  
**GROUNDWATER USERS ADVISORY COUNCIL**  
Tucson Active Management Area  
Kenneth Seasholes, Area Director



DEE T. O'NEILL  
Chair

DAVID MODEER  
Vice-Chair

JOHN MAWHINNEY

JON POST

CHUCK SWEET

**Minutes**  
**October 24, 2006**

**Members Present:** Dee O'Neill, Chair  
John Mawhinney  
Chuck Sweet

**Tucson Staff Present:** Kenneth Seasholes  
Mary Bauer  
John Bodenchuk  
Laura Grignano  
Diane Kusel  
Virginia Welford  
Dawne Wilson

**Phoenix Staff Present:** Virginia O'Connell  
Kim Mitchell  
Robin Stinnett

**Others:** Janet Lea Carr, SAWUA  
Dennis Dickerson, PAG  
Nancy Freeman, Groundwater Awareness League  
Joseph Frilot, League of Women Voters  
Tina Lee, Ward 2  
Val Little, Water CASA  
Joy Miller-Frilot, League of Women Voters  
Mark Myers, Consultant  
Philip Saletta, Oro Valley Water Utility  
Linda Smith, Tucson Water  
Warren Tenney, Metro Water District  
Deborah Tosline, USBOR  
Karen Wilson, Pima Co. Regional Flood Control Dist.

- 1. Call to Order**  
Chairperson, Dee O'Neill called the meeting to order at 1:00 p.m. introductions were made.
- 2. Approval of Minutes**  
John Mawhinney made a motion to approve the minutes of August 30, 2006. Chuck Sweet seconded the motion. The minutes were unanimously approved.

### **3. Arizona Water Banking Authority (AWBA) 2007 Plan of Operation**

Each year the AWBA is required by statute to present its Plan of Operation. Kim Mitchell and Virginia O'Connell of the AWBA were invited to present the 2007 Plan. Ms. Mitchell referred the audience to handouts Tables 2, 3 and 4. Table 2 details water deliveries to the various facilities. Tables 3 and 4 show the costs for implementing the Plan in each area.

Before reviewing the 2007 draft Plan, Ms. Mitchell indicated that the AWBA is projected to store approximately 350,000 af of excess CAP water in 2006. Roughly 170,000 af is for intrastate storage with 180,000 af going toward interstate storage.

Table 2 is preliminary. The Central Arizona Water Conservation District (CAWCD) is still waiting for 2007 water delivery orders from some of its customers. In December 2006 CAWCD will finalize delivery orders, which will enable the AWBA to firm up its delivery volumes.

There will be an estimated 186,411 af of intrastate storage in the Phoenix AMA. No interstate storage is planned. The Pinal AMA estimates 75,462 af of intrastate and 98,500 af of interstate storage. Tucson AMA's estimated storage will be 29,832 af of intrastate and 35,460 af of interstate. In total the AWBA plans to store approximately 425,665 af.

The CAWCD sets rates each year in June. The AWBA's rate for 2007 is \$61.00 af, which is down \$21.00 af from last year. The interstate rate rose from \$200.00 af to \$210.00 af.

The operators of Groundwater Savings Facilities (GSF) will pay a delivery cost-share rate of \$31.00 af for intrastate storage, which is a \$1.00 more than last year and interstate storage will remain at \$26.00 af. There is a 3% facility cost increase for the GRUSP and CAVSAP facilities; all other facility costs will remain the same.

The funds collected from withdrawal fees will be fully expended in all three AMAs; this includes 2006 carry-over from Pinal and Pima counties. The AWBA's four cent tax money for Maricopa County will be spent, and it will also begin spending the four cent tax money held at CAP. This has already occurred in Pima and Pinal counties.

There is also general fund money available, which will begin to be utilized in 2008 for the firming requirements under the Arizona Water Settlements Act.

A sizable portion of Nevada's interstate banking money will be spent in 2007. About one-third of the firming requirements to Nevada will be met by the end of 2006.

The total cost of the Plan is estimated to be \$42,542,520, with most being reserved for interstate storage. The majority of the remaining money will be left in the Maricopa County four cent tax fund.

The deadline for public comment on the Plan is December 15, 2006.

Following the presentation, Mr. Seasholes reviewed the recommendations from the Institutional and Policy Advisory Group (IPAG) to the GUAC on the AWBA's Plan, which are as follows:

- Reaffirm full use of funds from the Withdrawal Fee.
- Encourage AWBA to explore additional opportunities to partner with GSFs for firming storage.
- Take advantage of projected low cost of water to aggressively accrue M&I firming credits.
- Interstate storage should be analyzed in terms of the benefit from the capital recharge charge, as well as the disadvantage of reduced M&I firming storage at a time of low water costs.

Mr. Seasholes also reviewed an analysis that considered the effects of different rates of interstate storage and projected water costs. He explained that interstate storage could help stretch local monies, but that an emphasis on storage for firming may make sense because of the low projected costs for CAP. The GUAC passed a motion to adopt the above recommendations and requested that a letter be sent to the AWBA asking that the recommendations be considered for adoption.

#### **4. Proposed Municipal Best Management Practices (BMP) Conservation Program Framework**

Robin Stinnett of ADWR presented an overview of ADWR's Proposed Municipal BMP Conservation Program, which if adopted could lead to statutory and management plan changes.

Several years ago, ADWR recognized a need to review the municipal program contained in the Third Management Plan (TMP). Questions were raised about the Gallons Per Capita per Day (GPCD) as a valid measurement for water use efficiency for cities, towns and private water companies. There have also been problems with developing population estimates and delays in the year 2000 census, which precluded population estimates that go into the GPCD value for each of the entities regulated under this program. In addition, there was a lawsuit brought on by the Arizona Water Company challenging ADWR about who should be regulated under this program. The Arizona Water Company's defense was that municipal providers should not be regulated but those who are provided water by the providers' system. After many years and three court judgments, ADWR prevailed.

Recognizing the need to re-look at the program, information gathering began in the Spring/Fall 2005, with the stakeholder process taking place from February to October 2006. After many discussions, the stakeholders decided a BMP program approach would be the most beneficial, and the preparation of a proposed draft program began. This resulted in a performance-based program that requires water providers to implement measures that result in water efficiency in their service areas.

Written comments on the framework were received from 16 entities within the Prescott, Phoenix, Pinal and Tucson AMAs. Based on some of the comments received, the framework was revised and the program renamed to the Modified Non-Per Capita Conservation Program.

The BMP program would pertain to large municipal and non-designated providers. For the remainder of the TMP and also throughout the Fourth Management Plan (FMP) implementation period, the total GPCD program would be an option for designated providers. The Alternative Conservation Program (ACP) would be discontinued and the current Non-per Capita Conservation Program (NPCCP) could be continued through the TMP. New legislation and modification to the TMP would be required.

The elements that would not change are the conservation requirements for individual users, as well as distribution system requirements. 100% metered connections would continue as would the existing monitoring and reporting requirements.

The program components would include a provider profile to be submitted every three years, implementation of required measures, implementation of BMPs and the submittal of an annual conservation efforts report. The submittal of an annual water withdrawal and use report would also continue.

As part of the implementation of required measures, ADWR encourages the adoption of a conservation rate structure if not already in place. The rate structure currently is not a selected BMP. Water providers would also need to retain seven years of records relating to BMPs and water use and have in place a basic water conservation education program.

The provider profile would identify service area characteristics, conservation measures already implemented, and additional conservation measures needed to meet BMP requirements. Each provider would be given a number of BMPs to be implemented based upon the number of connections within their service area. Each BMP selection would need to address the provider service area characteristics and/or water use patterns and explain how each BMP would lead to increased water use efficiency.

The required number of BMPs will be a tier based approach. All tier levels would include the required measures in addition to a specified number of BMPs to be implemented. The tier structure is as follows:

Tier 1: up to 5,000 connections - one additional BMP

Tier 2: 5,001 to 30,000 connections - five additional BMPs

Tier 3: over 30,000 connections - ten additional BMPs

The BMPs selected should be appropriate for the water provider's service area. There are currently 43 BMPs in seven categories.

The latest stakeholder meeting was held on October 10, 2006 in order to discuss the revised program framework. Many comments from this meeting centered around the need for more specifics on what a water provider needs to do in order to submit an acceptable provider profile. ADWR has agreed to prepare and submit a guidance document.

Many providers and/or representatives strongly expressed that a conservation rate structure should not be required; rather it should be available as a BMP option. Another concern was that seven years of records may not be readily available for some jurisdictions due to policies currently in place on records retention.

The original program framework indicated ADWR would respond within 90 days on whether the provider profile was complete and acceptable. If a provider doesn't hear from ADWR within that timeframe, it doesn't necessarily mean that the profile is automatically deemed acceptable. Clarification will need to be made on this issue.

Initially there were BMPs that covered the use of reclaimed water, greywater and water harvesting. They were removed by ADWR prior to the distribution of the program framework. The rationale for this was that these components are geared more toward augmenting water supplies as opposed to decreasing water use. There have been many opposing views made on this decision and a resolution has yet to be made. Comments on the program framework will continue to be compiled and reviewed by ADWR until October 27, 2006.

If a viable program concept is adopted, enabling legislation would be drafted and (optimistically) introduced in the Fall/Winter 2006. If the legislation passes in the 2007 session, TMP modifications would be made and providers would be notified by the end of 2007, with the first compliance year being 2010.

The GUAC made and passed a motion requesting that a letter be sent to the director of ADWR on behalf of GUAC supporting the efforts of the program development. The letter would also ask that ADWR continue to address the issues raised regarding rates as a BMP and credit for reclaimed water, greywater and water harvesting. Without resolution of these issues it could impede program implementation.

A summary of the stakeholder comments and ADWR's responses and a summary of the program framework can be found at [www.azwater.gov](http://www.azwater.gov) under the municipal conservation program.

**5. Area Director's Report**

There was no area director's report

**6. Date and Agenda for Next Meeting**

The next meeting will be scheduled between the first and second week of December 2006.

**7. Adjournment**

The meeting was adjourned at 3:15 p.m.